

PAYMENT PROCEDURES HAZARD MITIGATION ASSISTANCE GRANT PROGRAMS 2014

ADVANCES

In general, all project funds' disbursements will be processed on a reimbursement basis. Advance of federal funds will only be approved by strict exception and where allowed by federal regulation. The request for advance funding will ONLY be considered with compelling documentation to support the need and in only the amount allowable by federal regulations as outlined in 44 CFR. The Governor's Authorized Representative or his designee will be the approving authority for advance funding.

Procedures:

1. Applicant must justify, in writing, why a need for the advance exists in lieu of using the standard reimbursement method of payment.
2. Applicant must be able to prove sufficient accounting controls are in place to track the movement of advanced funds and to demonstrate that they are being used solely for the purpose for which they were requested. A letter signed by the applicant's Chief Administrative Officer (CAO), or other senior executive of the jurisdiction's administration with responsibility for the jurisdiction's finances, attesting that the required financial controls are in place will be required. (This documentation is required for the first advance of an individual grant.)
3. Applicant must request an exact amount, up to 20% of the total federal share of the project cost, and must explain in detail exactly what the funds are to be used for (A/E services, construction contractor advance, etc...). If the advance request includes funds for properties, the specific properties must be identified in the request.
4. Subsequent advances will not be authorized until at least 80% of the previously advanced funds have been reconciled with verification of paid invoices, time sheets, cancelled checks, etc... (**Note regarding subsequent advances:** An applicant can only have in-hand 20% of the total federal share at any given time.)
5. Request to include: Letter (identify intends) i.e. list of properties covered by advance, portion of the work for drainage or safe room, Explain cash flow challenges, Ensure adequate accounting system, Letter must acknowledge funds will not be deposited in bearing account, State proposed timeline for reconciliation. Proof of the proper procurement.
6. GOHSEP will conduct system-wide check of advance reconciliations every 60 days.

Payments:

1. All Payments request must be submitted via LAHM by an authorized representative. Payment should be requested in accordance with milestones, or at least quarterly and in line with work completion. Appropriate documentation of the expended funds shall accompany the request for reimbursements. At a minimum, this documentation should include a summary of the nature of the payment request (i.e. engineer payment, progress payments on contract, etc.) along with copies of supporting invoice. If cancelled checks are not provided with the reimbursement request, they must be uploaded in LAHM within 30 days of payment. No future payment will be released without proof of previous payments. This information should be summarized reconcile the reimbursement form (RRF). The request should clearly identify the individual project

number on the reimbursement request form where grants include multiple projects. Payments will not be processed without current signed quarterly report on file with GOHSEP Hazard Mitigation Section. On all projects, with exception of property acquisition, being funded by a grant other than DRs 1603 and 1607, or grants without required or non- federal share. It is required that the applicant shows proof of their matching share before any reimbursement is made from federal funds. Proof of applicant’s expenditure will be submittal of supporting documentation as previously described in this paragraph.

ADDITIONAL PROCEDURES SPECIFIC TO PROJECT TYPE

Property Acquisition:

Federal funds will be disbursed until a closing has been scheduled. The applicant shall submit a payment request approximately thirty (30) days prior to the scheduled closing date. This request shall contain the closing date, property description, property appraisal prepared by a certified appraiser, and a closing statement which included the direct closing cost only (property value, attorney, title exam, etc., projects management cost, etc.). In addition, a calculation of the local match shall also be attached for projects. being funded by a grant other than DRs. 1603 and 1607 or grants without required federal share match. The maximum that will be paid to the applicant before the closing is the max approved federal share less than PM of the appraised value and direct closing cost projects being funded by a grant other than DRs1603 and 1607. (The balance may be paid after the closing date).

PLAN PREPARATION:

In case where the applicant has contracted for the preparation of the plan, the following payment schedule will be used:

Upon signing of the contract-	10%
Upon Submittal of draft plan- (To the State for review)	50%
Upon plan approval by FEMA-	40%

In the event the applicant (sub-grantee) is using its own personnel to perform some of the work, time sheets showing the number of hours worked with supporting salary/fringe benefits calculations shall be submitted. No more than 60% will be paid to the applicant until a draft plan is submitted, with a final payment upon acceptance of the plan by FEMA. Said payment requests shall be submitted on the first day of each federal fiscal quarter (October 1, January 1, April 1, and July 1,) If necessary, adjustments can be made to this payments schedule with the approval of the State Hazard Mitigation Officer. In the event the applicant is utilizing the services of a contractor, the first payment request will be accompanied by a signed contract for plan preparation. The applicant’s administrative allowance will be requested as part of the final payment upon plan approval by FEMA.

50% Risk Assessment
30% Submit Draft
20% Adopt
If they are doing it adopt 20% themselves